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AT BOSTON COLLEGE

# **EPA Performance Track Tele-Seminar**

## **July 29, 2003**

### ***Community Involvement: Developing a Strategy that Works***

**The Center for Corporate Citizenship  
at Boston College**

55 LEE ROAD • CHESTNUT HILL, MA 02467

[www.bc.edu/corporatecitizenship](http://www.bc.edu/corporatecitizenship)

# Seminar Objectives

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- ◆ **To discuss the business case for community involvement**
- ◆ **To discuss how to tie community involvement to business objectives**
- ◆ **To discuss how to identify and develop trusting relationships with critical stakeholders**
- ◆ **To discuss how to develop effective community involvement programs**



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# The Strategy for Community Involvement

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- ◆ **Recognize the link between corporate citizenship and business success**
- ◆ **Develop community involvement programs to achieve corporate goals *and* meet community needs**
- ◆ **Manage community involvement as an investment**
- ◆ **Focus on developing relationships of trust with critical stakeholders**
- ◆ **Measure and demonstrate success**

# The Goal: To Become a Neighbor of Choice

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## Becoming a Neighbor of Choice...

- ◆ Builds sustainable relations of trust with critical stakeholders
- ◆ Produces ROI for the company and community
- ◆ Enhances the company's reputation
- ◆ Produces community support for the company – protects the LTO



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# The Business Case for Community Involvement

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- ◆ Provider of Choice (customer)
- ◆ Employer of Choice (employees)
- ◆ Investment of Choice (shareholders)
- ◆ Partner of Choice (suppliers)
- ◆ Neighbor of Choice (communities & interest groups)

# Provider of Choice: Changing Consumer Opinions

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- ◆ 66 percent of 25,000 people worldwide said they formed opinions of a company based on its social behavior; 40 percent had or considered boycotting a company they viewed as irresponsible. (Source: 2002 Environics survey)
- ◆ 46% of consumers say they have purchased from a company because of a positive perception of social responsibility; 49% have not purchased from a company because of negative behavior. (Source: 2000 Conference Board study)
- ◆ 42% hold that companies are completely or partially responsible for solving social problems. (Source: 2000 Millennium Poll)

# Employer of Choice

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- ◆ 76% of Americans report they would likely choose the company that supports a cause if they were offered two jobs similar in pay and responsibility (Source: 2002 Cone CC study)
- More than 50% of students from top business schools would accept lower pay to work for a company they found socially responsible (Source: 2001 Students for Responsible Business)

# Investor of Choice

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- ◆ Net cash flows were up in SRI funds 10 of 12 months in 2002. By contrast, mainstream equity funds have had net monthly outflows since May 2002. (Source: 2002 Christian Science Monitor)
- ◆ By 1999, one out of every eight professionally managed investment dollars was part of socially responsible portfolio. (Source: 1999 Social Investment Forum Research Program)



# Partner of Choice

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- ◆ Firms are increasingly making demands for socially responsible behavior across their supply chains

# Neighbor of Choice

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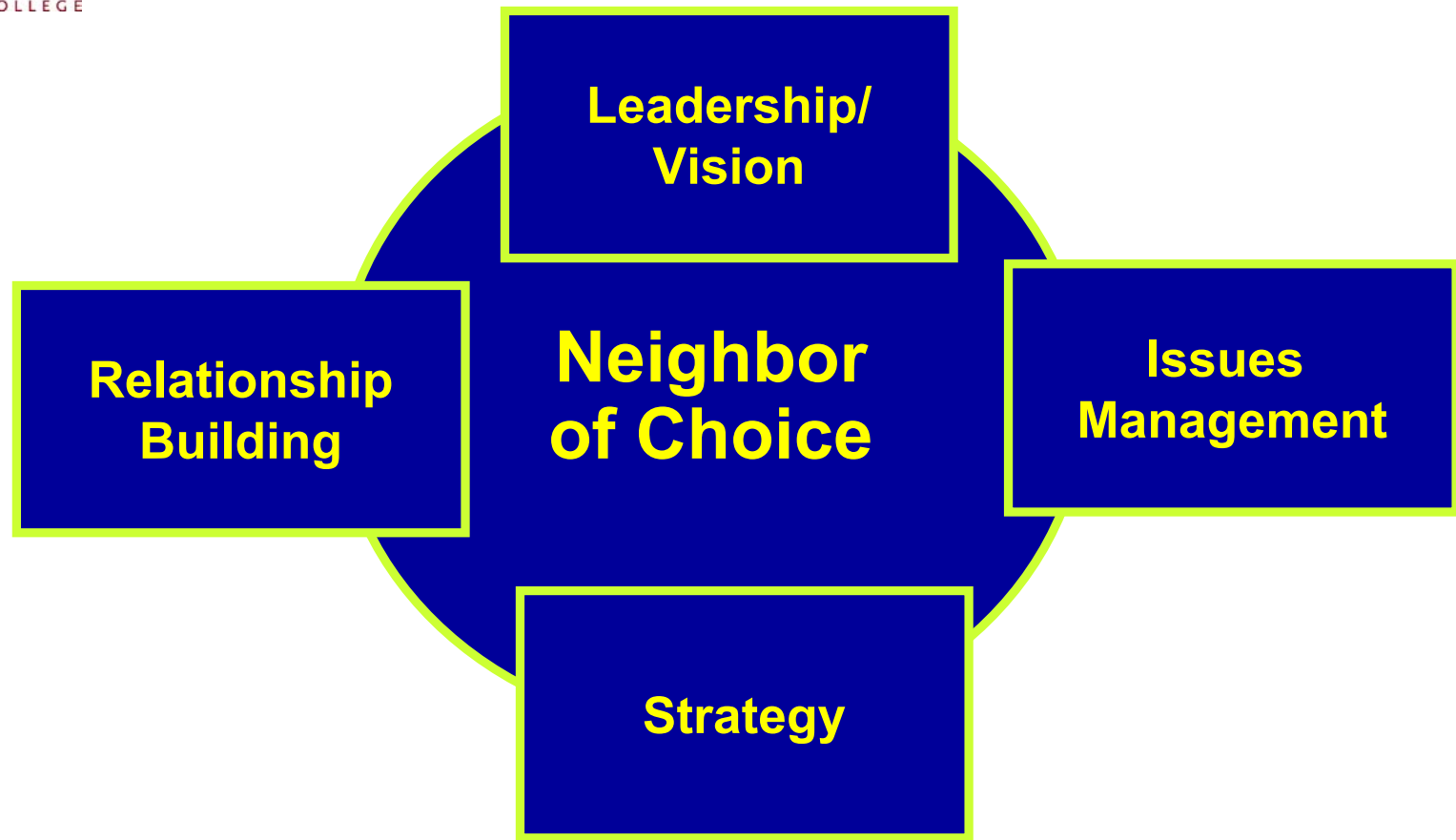
- ◆ 84% of adults feel commitment to social issues is important in deciding which companies they want doing business in their community . (Source: 2002 Cone CC study)
- ◆ Avoiding down-time/cost savings associated with strong community relationships
- ◆ Incur costs associated with poor community relationships
- ◆ Reputation as good corporate citizen enhances brand and LTO



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# Neighbor of Choice Strategy

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# How to Tie Community Involvement to Business Objectives

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- Step 1:** Conduct an organizational assessment
- Step 2:** Conduct a community assessment
- Step 3:** Identify issues, goals, programs

# Objectives of Company Assessment

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- ◆ Establish strategic direction
- ◆ Inform program planning
- ◆ Assess readiness of organization to change
- ◆ Build base of understanding and support



# Objectives of Community Assessment

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- ◆ Establish strategic direction
- ◆ Assist in program planning
- ◆ Build base of understanding and support
- ◆ Develop/enhance relationships
- ◆ Promote company as a Neighbor of Choice

# Questions to Ask for Assessments

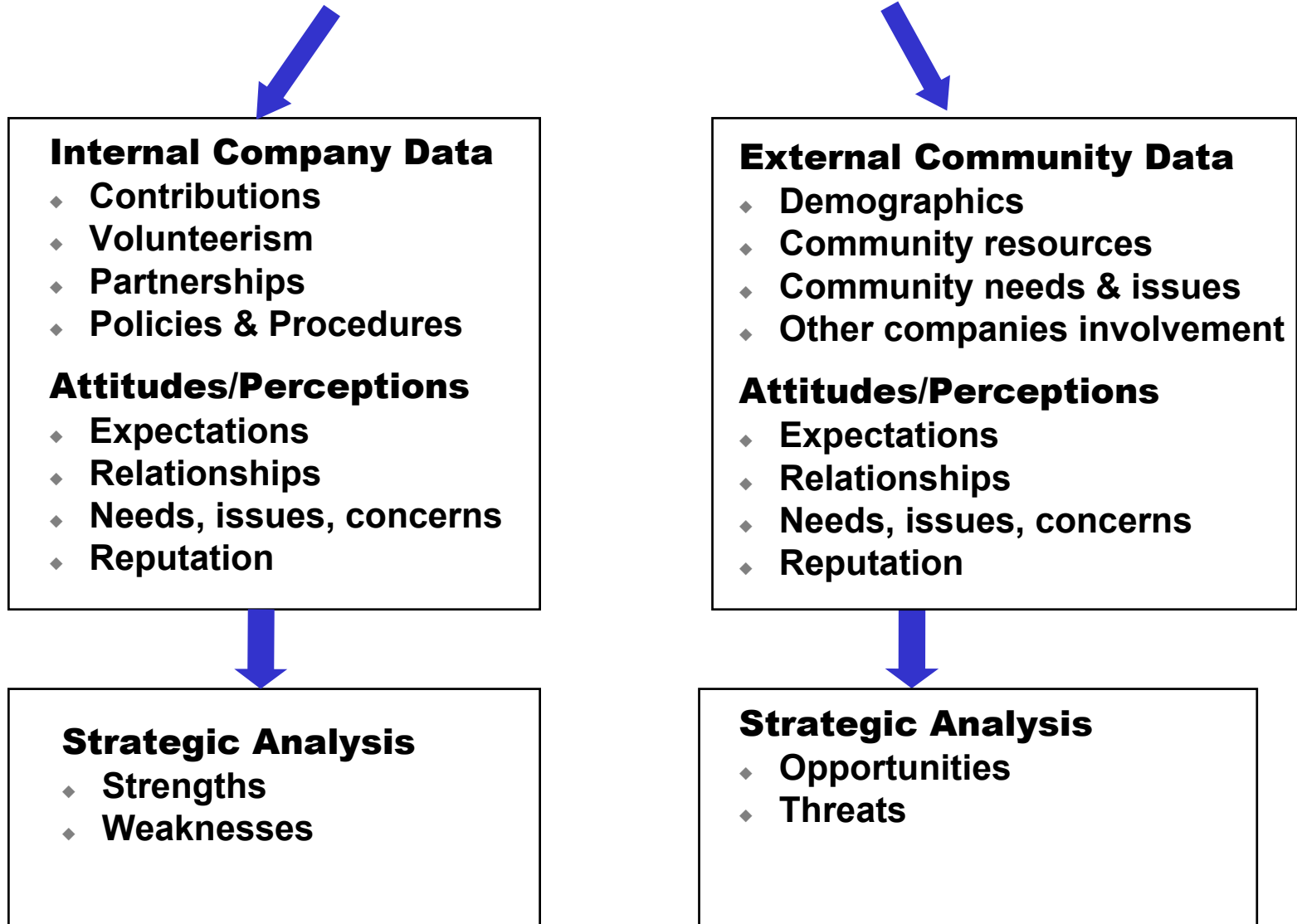
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- ◆ What information do you need?
- ◆ From whom will you get the information?
- ◆ How will you obtain the information?

# Corporate Strategy & Focus

## *Information Gathering*

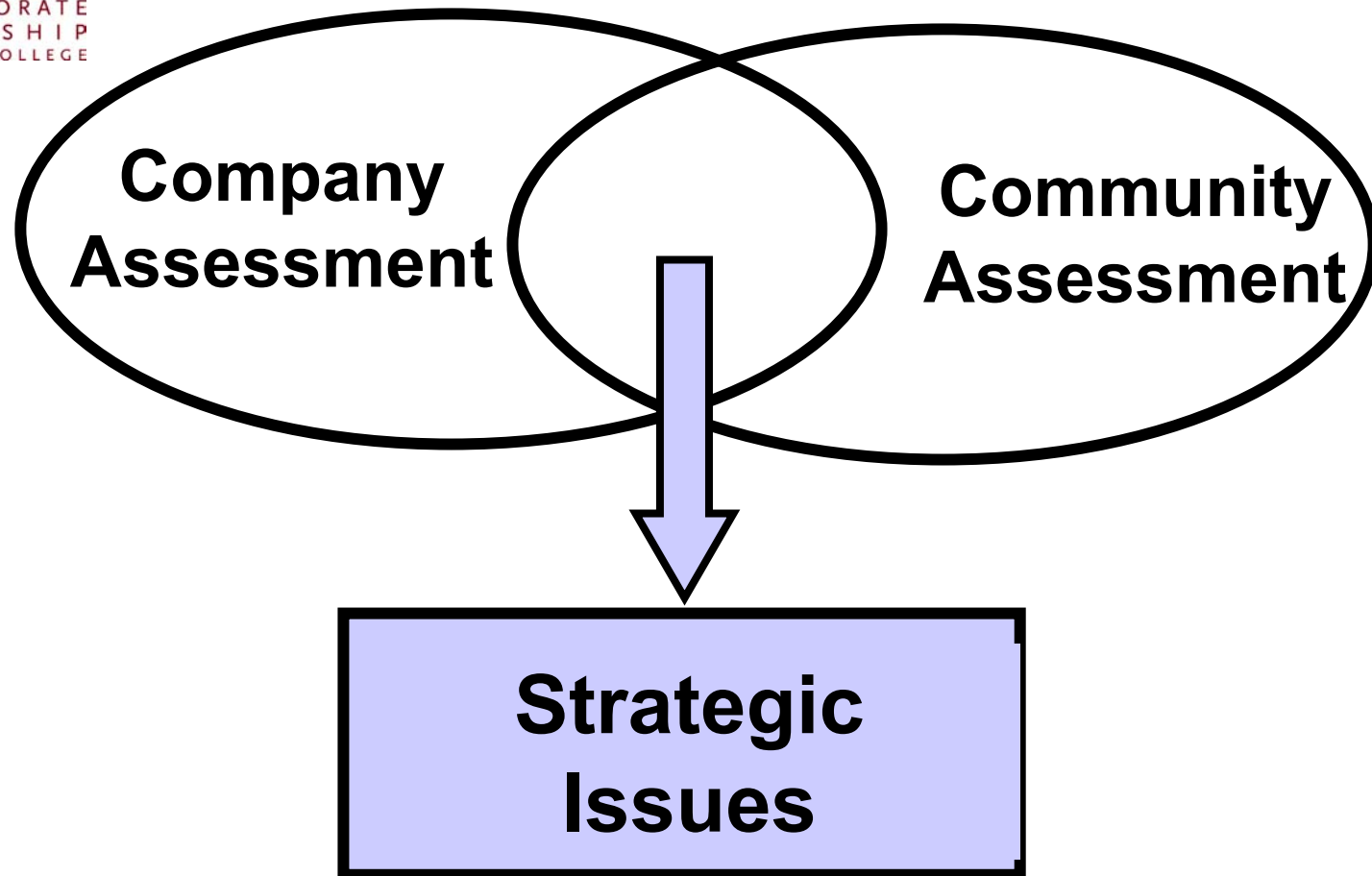
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# Strategic Program Development



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# Building Relationships of Trust with Critical Stakeholders



# Influence Resources

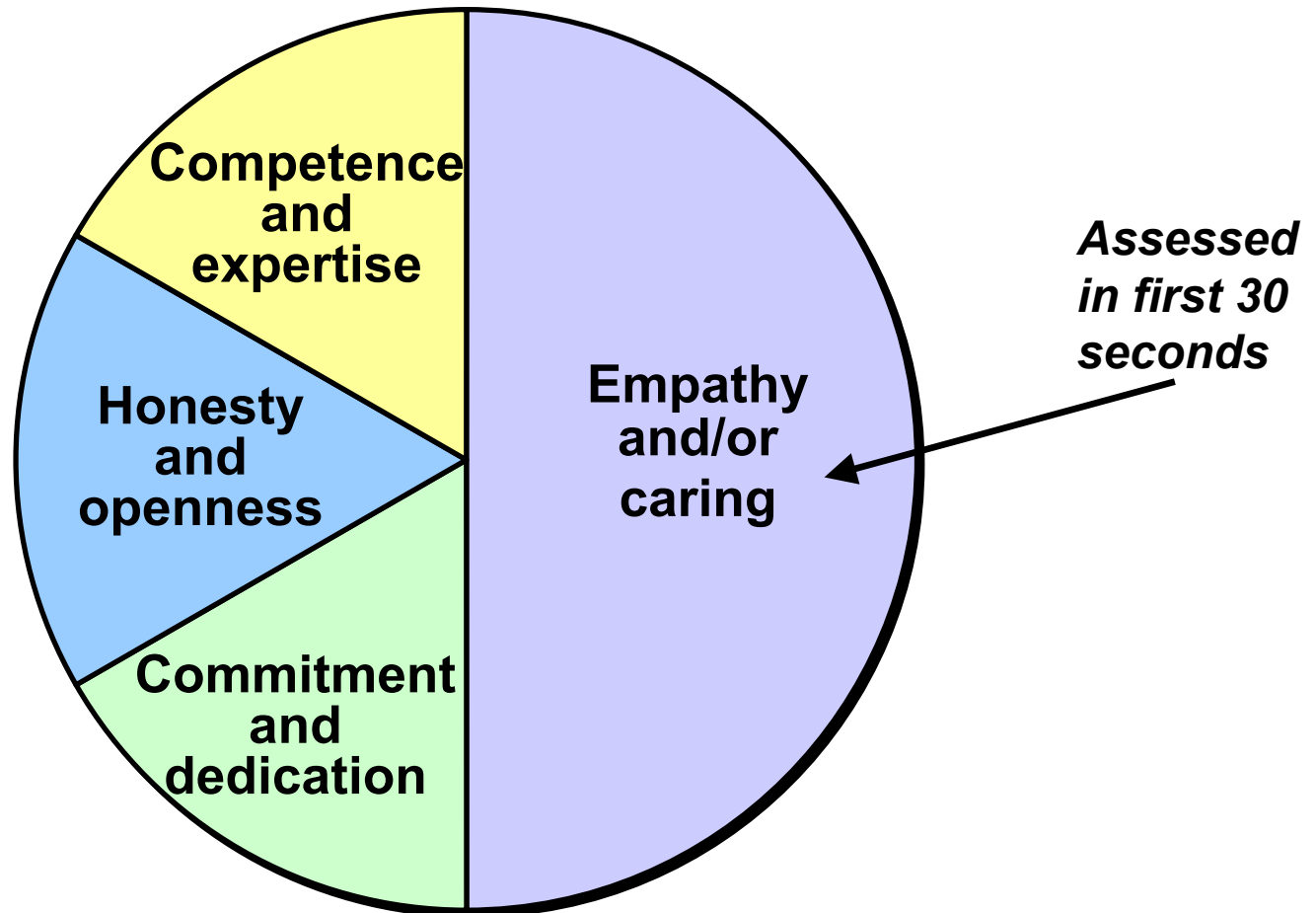
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- ◆ Legitimate authority
- ◆ Control over votes
- ◆ Access to information
- ◆ Ability to destroy/enhance reputation
- ◆ Money
- ◆ Expertise
- ◆ Likeable personality
- ◆ Friendship networks
- ◆ Persistence



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# Elements of Trust and Credibility



Source: Vincent Covello, Columbia Univ..

# Summary – Building Relationships

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## Questions to consider:

1. Which communities are most important to my company and/or industry?
2. Who are the formal and informal leaders? Do we have relationships with them? Are they acting as individuals or representing groups?
3. What is the quality of our relationships? Are they relationships of trust?

# Developing an Effective Community Involvement Program

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- ◆ Define the clear purpose of the program
- ◆ Identify and include critical stakeholders
- ◆ Design strategic responses that will serve company ***and*** community needs/expectations
- ◆ Establish goals and define impact
- ◆ Measure the impact on the company and community

# Summary

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- ◆ There is a business case for community involvement
- ◆ Strategic programs support business goals *and* meet community needs
- ◆ Stakeholder relationships can be strategically developed
- ◆ Community programs require clearly stated goals, stakeholder involvement, evaluation and measurement



# Additional Discussion Points

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- ◆ Greatest obstacles to achieving program visibility, awareness, buy-in
- ◆ Best practices in community environmental programs, success stories
- ◆ Greatest opportunities for outreach improvement
- ◆ Others...